



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

July 12, 2007

**H.R. 2547**

**FDIC Enforcement Enhancement Act**

*As ordered reported by the House Committee on Financial Services on June 26, 2007*

H.R. 2547 would authorize the Federal Deposit Insurance Corporation (FDIC) to take civil action against any person who falsely asserts or suggests that any funds or assets are insured or guaranteed by the agency. Under current law, financial institutions are subject to FDIC sanctions for such false advertising or misrepresentation, and other persons are subject to criminal penalties for the misuse of agency names or titles, which are enforced by the Attorney General of the United States. H.R. 2547 would expand enforcement by making all such practices a violation of deposit insurance laws and allowing the FDIC to issue cessation orders and impose civil penalties of up to \$1 million for each day the violation occurs.

Based on information from the FDIC, CBO estimates that implementing this bill would have no significant effect on the agency's costs, which are funded directly by deposit insurance premiums. Any civil penalties collected as a result of this legislation would increase revenues, but CBO estimates that any such annual collections would be negligible. Thus, we estimate that enacting this bill would have no significant effect on direct spending or revenues.

H.R. 2547 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Kathleen Gramp. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.